

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

QUARTERLY FINANCIAL REPORTING FORM

Submitted on 2/13/2004 5:16:05 PM

		1
1.	FOR THE QUARTER ENDING:	December 31, 2003
2.	Name:	UNIVERSAL CARE
3.	File Number:(Enter last three digits) 933-0	209
4.	Date Incorporated or Organized:	April 19, 1983
5.	Date Licensed as a HCSP:	October 15, 1985
6.	Date Federally Qualified as a HCSP:	
7.	Date Commenced Operation:	November 1, 1985
8.	Mailing Address:	1600 EAST HILL STREET, SIGNAL HILL, CA. 90806
9.	Address of Main Administrative Office:	1600 EAST HILL STREET, SIGNAL HILL, CA. 90806
10.	Telephone Number:	(562) 424-6200
11.	HCSP's ID Number:	33-0012358
12.	Principal Location of Books and Records:	1600 EAST HILL STREET, SIGNAL HILL, CA. 90806
13.	Plan Contact Person and Phone Number:	JEFFREY V. DAVIS (562) 981-4059
14.	Financial Reporting Contact Person and Phone Number:	JEFFREY V. DAVIS (562) 981-4059
15.	President:*	HOWARD E. DAVIS
16.	Secretary:*	JEFFERY V. DAVIS
17.	Chief Financial Officer:*	JAY B. DAVIS
18.	Other Officers:*	JOHN ADAMS
19.		STEPHAN BASS
20.		MARK GOPINATH
21.		FRAZIER MOORE
22.	Directors:*	LAURA DAVIS, MARC DAVIS,
23.		JOHN ADAMS, STEPHEN BASS, MARIA FLATT
24.		LORRIE HOLT, CHRIS CARREON
25.		STUART GRAY, DAN SUN
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32.	President	HOWARD E. DAVIS (please type for valid signature)
33.	Secretary	JEFFREY V. DAVIS (please type for valid signature)
34.	Chief Financial Officer	JEFFREY V. DAVIS (please type for valid signature)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.		
35.	Check if this is a revised filing, and complete question 7 on page 2: <input type="checkbox"/>	
36.	If all dollar amounts are reported in thousands (000), check here: <input type="checkbox"/>	

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="v"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="v"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="v"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="v"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="v"/>
6.	If "yes", describe:	
7.	If this is a revised reporting form, what is/are the reason(s) for the revision?	

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	25,076,037
2. Short-Term Investments	352,011
3. Premiums Receivable - Net	22,384,931
4. Interest Receivable	48,469
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	5,658,490
7. Prepaid Expenses	2,008,895
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	42,716
10. Aggregate Write-Ins for Current Assets	3,961,290
11. TOTAL CURRENT ASSETS (Items 1 to 10)	59,532,839
OTHER ASSETS:	
12. Restricted Assets	508,781
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	4,614,614
15. Secured Affiliate Receivables - Long-Term	3,749,169
16. Unsecured Affiliate Receivables - Past Due	0
17. Aggregate Write-Ins for Other Assets	1,457,159
18. TOTAL OTHER ASSETS (Items 12 to 17)	10,329,723
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	15,868,049
20. Furniture and Equipment - Net	875,128
21. Computer Equipment - Net	1,753,608
22. Leasehold Improvements -Net	903,093
23. Construction in Progress	46,010
24. Software Development Costs	1,558,767
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	21,004,655
27. TOTAL ASSETS	90,867,217
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Inventory	1,428,328
1002. Income Taxes	2,532,962
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	3,961,290
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Deposit-L/T	225,169
1702. Deferred Taxes	1,178,153
1703. Others	53,837
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,457,159
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	7,784,273	XXX	7,784,273
2. Capitation Payable	3,882,008	XXX	3,882,008
3. Claims Payable (Reported)	9,056,529		9,056,529
4. Incurred But Not Reported Claims	30,000,623		30,000,623
5. POS Claims Payable (Reported)	0		0
6. POS Incurred But Not Reported Claims	92,665		92,665
7. Other Medical Liability	0		0
8. Unearned Premiums	8,820,117	XXX	8,820,117
9. Loans and Notes Payable	122,567	XXX	122,567
10. Amounts Due To Affiliates - Current		XXX	0
11. Aggregate Write-Ins for Current Liabilities	6,102,838	0	6,102,838
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	65,861,620	0	65,861,620
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)	4,363,611	XXX	4,363,611
14. Loans and Notes Payable (Subordinated)	6,427,891	XXX	6,427,891
15. Accrued Subordinated Interest Payable	0	XXX	0
16. Amounts Due To Affiliates - Long Term	0	XXX	0
17. Aggregate Write-Ins for Other Liabilities	1,362,000	XXX	1,362,000
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	12,153,502	XXX	12,153,502
19. TOTAL LIABILITIES	78,015,122	0	78,015,122
NET WORTH			
20. Common Stock	XXX	XXX	5,126,950
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	3,139,400
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	4,463,683
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	122,062
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	12,852,095
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	90,867,217
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Capitation Withholds and Incentives	6,102,838		6,102,838
1102.			0
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	6,102,838	0	6,102,838
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701. Malpractice Insurance and other liabilities	944,000	XXX	944,000
1702. Workers Compensation - IBNR	418,000	XXX	418,000
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,362,000	XXX	1,362,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501. Marketable Securities	XXX	XXX	147,087
2502. Unrealized Loss on Marketable Securities	XXX	XXX	-92,899
2503. Other Comprehensive Income	XXX	XXX	67,874
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	122,062

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	59,007,263	116,288,586
2. Capitation	872,126	1,971,459
3. Co-payments, COB, Subrogation	434,645	694,135
4. Title XVIII - Medicare	3,943,087	7,409,150
5. Title XIX - Medicaid	45,119,777	90,804,682
6. Fee-For-Service	1,319,122	2,654,782
7. Point-Of-Service (POS)	345,507	484,669
8. Interest	94,427	136,316
9. Risk Pool Revenue	0	0
10. Aggregate Write-Ins for Other Revenues	25,839	52,681
11. TOTAL REVENUE (Items 1 to 10)	111,161,793	220,496,460
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated	4,476,299	9,382,278
13. Inpatient Services - Per Diem	35,571,725	71,635,281
14. Inpatient Services - Fee-For-Service/Case Rate	1,934,331	3,503,109
15. Primary Professional Services - Capitated	28,711,744	57,477,885
16. Primary Professional Services - Non-Capitated	0	0
17. Other Medical Professional Services - Capitated	0	0
18. Other Medical Professional Services - Non-Capitated	0	0
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	502,398	1,068,173
20. POS Out-Of-Network Expense	63,960	160,364
21. Pharmacy Expense - Capitated	2,961,527	4,939,681
22. Pharmacy Expense - Fee-for-Service	9,040,760	18,460,078
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	12,806,255	25,227,902
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	96,068,999	191,854,751
Administration		
25. Compensation	5,696,020	11,522,658
26. Interest Expense	218,943	226,049
27. Occupancy, Depreciation and Amortization	4,241,158	8,099,628
28. Management Fees	0	0
29. Marketing	3,512,649	7,127,120
30. Affiliate Administration Services	0	0
31. Aggregate Write-Ins for Other Administration	0	0
32. TOTAL ADMINISTRATION (Items 25 to 31)	13,668,770	26,975,455
33. TOTAL EXPENSES	109,737,769	218,830,206
34. INCOME (LOSS)	1,424,024	1,666,254
35. Extraordinary Item		0
36. Provision for Taxes	0	0
37. NET INCOME (LOSS)	1,424,024	1,666,254
NET WORTH:		
38. Net Worth Beginning of Period	4,227,121	2,984,891
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock	5,100,950	5,100,950
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus	2,100,000	3,100,000
43. Increase (Decrease) in Contributed Capital		0
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	1,424,024	1,666,254
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	12,852,095	12,852,095

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Other Income	25,839	52,681
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	25,839	52,681
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. Staff Models Operation Cost	12,483,201	24,571,591
2302. Lab & X-Ray	322,590	655,034
2303. Radiology	464	1,277
2304.		0
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	12,806,255	25,227,902
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101.		
3102.		
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	64,524,363	123,373,251
2. Fee-For-Service	434,645	694,135
3. Title XVIII - Medicare Premiums	3,943,087	7,409,150
4. Title XIX - Medicaid Premiums	45,119,777	90,804,682
5. Investment and Other Revenues	120,266	188,998
6. Co-Payments, COB and Subrogation	1,319,123	2,654,782
7. Medical and Hospital Expenses	-94,558,155	-192,621,295
8. Administration Expenses	-17,118,453	-29,366,760
9. Federal Income Taxes Paid	0	0
10. Interest Paid	-218,943	-226,049
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	3,565,710	2,910,894
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets	0	0
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment	0	0
15. Payments for Restricted Cash and Other Assets	77	-199
16. Payments for Investments	0	0
17. Payments for Property, Plant and Equipment	112,753	-646,098
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	112,830	-646,297
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock	7,200,950	8,200,950
20. Loan Proceeds from Non-Affiliates	0	0
21. Loan Proceeds from Affiliates	0	0
22. Principal Payments on Loans from Non-Affiliates	29,302	0
23. Principal Payments on Loans from Affiliates	-27,275	-59,886
24. Dividends Paid	0	0
25. Aggregate Write-Ins for Cash Provided by Financing Activities	-3,759,274	-3,759,274
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	3,443,703	4,381,790
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	7,122,243	6,646,387
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	17,953,794	18,429,650
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	25,076,037	25,076,037
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	1,424,024	1,666,254
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	378,945	1,053,909
32. Decrease (Increase) in Receivables	1,355,915	-400,483
33. Decrease (Increase) in Prepaid Expenses	-245,741	-175,102
34. Decrease (Increase) in Affiliate Receivables	0	-32,611
35. Increase (Decrease) in Accounts Payable	-3,682,704	-3,344,424
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	1,354,986	-1,338,912
37. Increase (Decrease) in Unearned Premium	2,943,553	5,029,020
38. Aggregate Write-Ins for Adjustments to Net Income	36,732	453,243
39. TOTAL ADJUSTMENTS (Items 31 through 38)	2,141,686	1,244,640
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	3,565,710	2,910,894
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501. Portion of Capital contribution represented by note receivable	-3,759,274	-3,759,274
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	-3,759,274	-3,759,274
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801. Deposit-L/T, Deferred Taxes, Malpractice Tail Reserve	36,732	453,243
3802.	0	0
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	36,732	453,243

This page is no longer in use.

This page is no longer in use.

REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	102,750		2,156	100,594	608,344	97,402		97,402	9,849	194	3.74
2. Medicare Risk	1,943	246	0	2,189	11,948	4,579		4,579	1,789	1797	5.56
3. Medi-Cal Risk	167,086		2,964	164,122	502,017	195,822		195,822	14,554	348	3.95
4. Individual			0	0	0	0		0			
5. Point of Service	827		41	786	5,071	0		0		0	
6. Aggregate write-ins for Other	222,828	4,999	3,278	224,549	1,042,361	40,879	0	40,879	1,319	15	
7. Total Membership	495,434	5,245	8,439	492,240	2,169,741	338,682	0	338,682	27,511	152	3.94
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group	0			0				0			
602. Healthy Families	29,931	752		30,683	180,408	26,460		26,460	574	38	3.22
603. AIM	12			12	72	1		1		0	
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607. Plan to Plan	7,554	265		7,819	45,678	14,418		14,418	745	196	4.87
608. Dental-Medical	23,464		293	23,171	144,464			0		0	
609. Dental-Healthy Families	45,306	3,304		48,610	270,489			0		0	
610. Dental-Commercial	15,502	678		16,180	96,175			0		0	
611. Dental-Plan to Plan	101,059		2,985	98,074	305,075			0		0	
612.				0				0			
Summary of remaining write-ins for											
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus											
699, 698) (Line 6 above)	222,828	4,999	3,278	224,549	1,042,361	40,879	0	40,879	1,319	15	3.98

**

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. Farmers & Merchants-General	01087762	-419,583
2. Farmers & Merchants-Claims	01087770	-5,693,147
3. Farmers & Merchants-Payroll	01087789	-25,314
4. Farmers & Merchants-Contract Payroll	01098608	-2,075
5. Farmers & Merchants-Repo	56710200	23,901,072
6. Bank of America-General	1457502777	1,727,785
7. Farmers & Merchants-Savings	1556965	5,570,638
8.		
9. Total Cash on Deposit		25,059,376
10. Cash on Hand (Petty Cash)		16,661
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		25,076,037

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. Farmers & Merchants	56-164800	508,781
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		508,781

* Indicate the Balance Per the HMO's Records

**

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	HEALTHNET	11,609,072				11,609,072
2.	HEALTHY FAMILIES CAP	1,100,000				1,100,000
3.	OTHER-HF LA CAP (CHP)				1,600,000	1,600,000
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed	7,742,072	161,347	56,613	115,827	8,075,859
55.	Total	20,451,144	161,347	56,613	1,715,827	22,384,931

**

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	MedImpact Rebates	2,194,007				2,194,007
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed	3,464,483				3,464,483
55.	Total	5,658,490	0	0	0	5,658,490

**

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under contract.

1	2	3	4	5	6	7
Name of Debtor	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
1. MedImpact	1,663,916					1,663,916
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23. Aggregate Accounts Not Individually Listed - Due	6,120,357					6,120,357
24. Total	7,784,273	0	0	0	0	7,784,273

**

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims	8,286,607	27,535,054	35,821,661
2. Physician Claims	707,634	2,351,354	3,058,988
3. Referral Claims			0
4. Other Medical	62,288	206,970	269,258
5. TOTAL	9,056,529	30,093,378	39,149,907

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

	1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11.							
12.	January 31, 2003	95,857	61,670	43,091	40,683		73,753
13.	February 28, 2003	73,753	58,334	32,075	31,130		68,882
14.	March 31, 2003	68,882	63,612	27,771	27,116		77,607
15.	April 30, 2003	77,607	61,761	36,803	32,824		69,741
16.	May 31, 2003	69,741	55,121	28,092	34,423		62,347
17.	June 30, 2003	62,347	59,219	23,090	29,279		69,197
18.	July 31, 2003	69,197	56,944	29,966	24,985		71,190
19.	August 31, 2003	71,190	57,426	32,882	28,145		67,589
20.	September 30, 2003	67,589	60,868	32,466	25,668		70,323
21.	October 31, 2003	70,323	63,073	29,255	27,391		76,750
22.	November 30, 2003	76,750	52,121	37,309	32,900		58,662
23.	December 31, 2003	58,662	52,549	31,694	32,502		47,015

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

**

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

1.	1 Month Ending	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
2.	January 31, 2003	40,481	5,401	3,396	24,475	73,753
3.	February 28, 2003	38,899	2,975	1,953	25,055	68,882
4.	March 31, 2003	44,461	5,648	1,692	25,806	77,607
5.	April 30, 2003	37,718	4,035	1,854	26,134	69,741
6.	May 31, 2003	42,499	4,361	1,520	13,967	62,347
7.	June 30, 2003	55,404	6,634	985	6,174	69,197
8.	July 31, 2003	55,852	8,628	719	5,991	71,190
9.	August 31, 2003	53,915	6,789	1,197	5,688	67,589
10.	September 30, 2003	60,082	4,018	939	5,284	70,323
11.	October 31, 2003	61,444	8,905	1,249	5,152	76,750
12.	November 30, 2003	46,381	6,168	1,653	4,460	58,662
13.	December 31, 2003	35,869	5,731	1,552	3,863	47,015

**

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag)
1. December 31, 2003	39,149,816	XXX	39,149,816	39,149,816
2. September 30, 2003	40,306,102	25,808,729	14,497,373	10,670,571
3. June 30, 2003	43,000,163	35,155,699	7,844,464	4,063,347
4. March 31, 2003	30,560,492	33,106,863	-2,546,371	1,873,996
5. December 31, 2002	37,437,125	40,463,497	-3,026,372	821,816
6. September 30, 2002	38,491,811	41,548,758	-3,056,947	266,065
7. June 30, 2002	38,752,055	40,324,808	-1,572,753	58,167
8. March 31, 2002	34,348,335	38,291,272	-3,942,937	1,616

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

**

1	
NOTES TO FINANCIAL STATEMENTS	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	
27.	
28.	
29.	
30.	
31.	
32.	
33.	
34.	
35.	
36.	
37.	
38.	
39.	
40.	
41.	
42.	
43.	
44.	
45.	
46.	
47.	
48.	
49.	
50.	
51.	
52.	
53.	
54.	
55.	
56.	
57.	
58.	
59.	

1	
OVERFLOW PAGE FOR WRITE-INS	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	
27.	
28.	
29.	
30.	
31.	
32.	
33.	
34.	
35.	
36.	
37.	
38.	
39.	
40.	
41.	
42.	
43.	
44.	
45.	
46.	
47.	
48.	
49.	
50.	
51.	
52.	
53.	
54.	
55.	
56.	
57.	
58.	
59.	

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.					
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	<u>Name of Debtor</u>	<u>Nature of Relationship</u>	<u>Nature of Receivable</u>	<u>Amount</u>	<u>Terms</u>
2.	NONE			0	
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	<u>Donor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Valuation Method</u>	<u>Amount</u>	
7.	NONE			0	
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	<u>Creditor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Summary of How Obligation Arose</u>	<u>Amount</u>	
12.	NONE			0	
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$ 12,852,095	
17.	Add: Subordinated Debt			\$ 6,427,891	
18.	Less: Receivables from officers, directors, and affiliates			\$	
19.	Intangibles			\$ 4,614,614	
20.	Tangible Net Equity (TNE)			\$ 14,665,372	
21.	Required Tangible Net Equity (See Page 22)			\$ 9,519,197	
22.	TNE Excess (Deficiency)			\$ 5,146,175	
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$ 111,041,527	
24.	Administrative Costs			\$ 13,668,770	
25.	Percentage			12	
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$ 1,068,173	
27.	Total costs for health care services for the immediately preceding six months:			\$ 191,854,751	
28.	Percentage			1	

		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	0
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	0
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	0
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	0
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	0
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	484,669
40. Total premium revenue earned	\$	111,041,527
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	160,364
43. Total health care expenditures	\$	96,068,999
44. Percentage		0
45. Point-of-Service Enrollment at end of period		786
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		406
47. Non-Physician		0
48. Total		406
49. Total Patient Days Incurred for Point-of-Service enrollees		33
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		149.00
51. Average Length of Stay for Point of Service enrollees		3
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	0
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	92,665
55. Total	\$	92,665
56. Total times 120%	\$	111,198
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	200,000

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

		Full Service Plans	Specialized Plans
		1	2
A.	Minimum TNE Requirement	\$ 1,000,000	\$ 50,000
B.	REVENUES:		
1.	2% of the first \$150 million of annualized premium revenues	\$ 3,000,000	2% of the first \$7.5 million of annualized premium revenue \$
	Plus		Plus
2.	1% of annualized premium revenues in excess of \$150 million	\$ 2,820,651	1% of annualized premium revenue in excess of \$7.5 million \$
3.	Total	\$ 5,820,651	Total \$ 0
C.	HEALTHCARE EXPENDITURES:		
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 3,848,330	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis. \$
	Plus		Plus
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis. \$
	Plus		Plus
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 5,670,867	4% of the annualized hospital expenditures paid on a managed hospital payment basis. \$
7.	Total	\$ 9,519,197	Total \$ 0
8.	Required "TNE" - Greater of "A" "B" or "C"	\$ 9,519,197	Required "TNE" - Greater of "A" "B" or "C" \$

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	12,852,095
2. Add: Subordinated Debt	\$	6,427,891
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	4,614,614
5. Tangible Net Equity (TNE)	\$	14,665,372
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	9,551,270
7. TNE Excess (Deficiency)	\$	5,114,102
ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	9,519,197
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	32,073
10. Add lines 8 and 9	\$	9,551,270
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
<u>PART A</u>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
13. Add lines 11 and 12	\$	0
III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING		
14. Line 5 (above)	\$	14,665,372
15. Multiply Line 6 (above) by 130%	\$	12,416,651
16. Difference (Line 14 - Line 15)	\$	2,248,721
If Line 14 is less than Line 15, then monthly reporting is required		

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text" value="0"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text" value="0"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text" value="0"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text" value="0"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text" value="0"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text" value="0"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text" value="0"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text" value="0"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE

STATEMENT AS OF 12-31-2003 OF 933-0209 UNIVERSAL CARE